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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000366

SIPDIS

STATE FOR WHA AND EEB

E.O. 12958: DECL: 05/14/2019

TAGS: [ETRD](#) [ETTC](#) [PREL](#)

SUBJECT: HONDURAS REVIEW OF CUBAN RELATIONS FOR THE
LIBERTAD ACT

REF: SECSTATE 48487

Classified By: Charge Simon Henshaw for reasons 1.4 (b) and (d)

¶1. (C) Summary: Investment activity between Honduras and Cuba remain limited, and the Government of Honduras does not appear to exert political influence over Cuba. President Manuel "Mel" Zelaya stated on May 8 that one of the OAS General Assembly's (OASGA) key orders of business at its session scheduled for June in San Pedro Sula will be the return of Cuba to the organization. In 2008 Honduras acceded to the Bolivarian Alternative for the People of the Americas (ALBA) grouping, which includes Cuba. A new bilateral trade agreement between the countries was signed in Havana in February 2009 and trade between the two countries has increased but remains tiny. End Summary.

¶2. (C) Post is not aware of any work by the Government of Honduras to officially promote democracy, human rights or civil society in Cuba, or of any offers of assistance from Honduras to Cuba. President Zelaya stated on May 8 that one of the two key objectives for the upcoming OASGA hosted by Honduras will be "rectifying the error," in his view, of revoking Cuba's membership in the OAS in 1962.

¶3. (C) There is little to no Honduran investment in Cuba and post is not aware which, if any, Honduran companies participated in the Havana Trade Fair. President Zelaya and Foreign Minister Patricia "Paty" Rodas traveled to Havana in February 2009 to sign a bilateral trade agreement. The agreement is limited in scope, with provisions on trade barriers, customs, rules of origin and sanitary issues (reftel). The trade agreement is widely viewed as essentially symbolic, as trade between Cuba and Honduras, albeit increasing, remains very small.

¶4. (C) Two-way trade with Cuba in 2008 increased 69 percent compared to 2007 to USD 26.8 million, according to the Central Bank of Honduras. Honduran exports to Cuba nearly tripled to USD 4.5 million. Imports from Cuba were up 56 percent to USD 22.2 million. By comparison, Honduran trade with the United States totaled USD 8.88 billion in 2008, according to U.S. Department of Commerce data. Despite the increased trade, Senior Trade Negotiator Melvin Redondo told

Econoff that press reports that Honduras would open a trade office in Havana were incorrect.

15. (U) There is some scope for Honduran-Cuban economic ties to expand with the accession of Honduras to the Venezuelan-led Petrocaribe and Bolivarian alternative for the People of the Americas (ALBA) groupings. A large delegation of senior GOH officials were on hand when Honduras joined Petrocaribe at the fourth Petrocaribe summit in Cienfuegos, Cuba in December 2007. Honduran officials also participated in a Petroalimentos ministerial in Havana in August 2008. However, the Petroalimentos initiative has gone dormant since the price of petroleum fell below USD 100 (the program was to be funded by a Venezuelan contribution of 50 U.S. cents from each barrel of oil it exported at prices above USD 100). Honduras acceded to ALBA in September 2008. The ALBA accession agreement included the following cooperation projects with Cuba:

- Increased medical cooperation, including the dispatch of Cuban doctors and technicians to Honduras as part of the Integrated Health Program (Programa Integral de Salud).
- 80 scholarships for Honduran students to study medicine, humanities and science and technology in Cuba;
- replacing 4 million incandescent light bulbs with more efficient compact fluorescent bulbs, with assistance from Cuba's Ministry of Basic Industry (Note: This program is in full swing, and public advertisements invite Hondurans to

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report to various locales around the city to trade in their light bulbs. However, bulbs that the Embassy has seen are of Chinese or Vietnamese manufacture and have been installed by Hondurans; Cuba's role is unclear. End Note.)

- Broadening of the Massive Literacy Program "Yes I Can" which Cuba is already conducting in 206 Honduran municipalities.
- Provision of Cuban generic medicines.

16. (U) With the exception of the light bulbs, all of the above-mentioned cooperation projects included in the ALBA accession-agreement existed before the ALBA agreement.
HENSHAW